

not used

MEMORANDUM FOR: The Director  
FROM: Deputy Director (Administration)  
SUBJECT: Psychological Strategy Board

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1. The attached letter from [REDACTED], dated 27 August 1951, requests that six or seven officers on his staff in grades GS-16 to GS-18 be appointed and compensated as CIA employees, and that they be placed permanently on loan to his staff. While it is understood that there have been previous conversations between you and [REDACTED] on this general subject, it is believed desirable to discuss certain aspects of the requested action.

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2. Originally it was thought that the three participating agencies would contribute to a working fund which would be administered by the Department of State. From that working fund it was hoped the Board would be able to employ appropriate super grades. After analysis of the legal factors involved and discussion with the General Accounting Office, it was determined that the only legal manner in which super grades could be made available to the Board without legislation was through having persons occupying super grades in CIA detailed to the Board. Such action would require utilization of the authorities granted to CIA by Public Law 110.

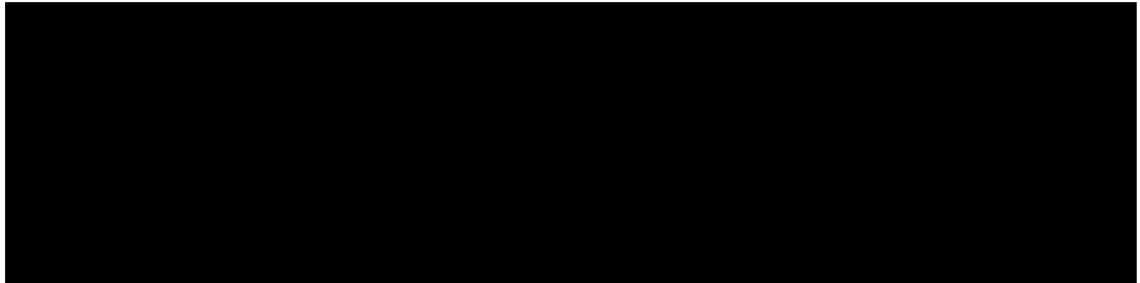
3. The entire question of super grades within Government appears to be a matter of serious and growing concern. The Bureau of the Budget particularly has evidenced a desire to re-examine Government-wide utilization of super grades, including CIA. It is believed serious consideration should be given to a determination by you whether the power granted to the Agency in this connection should be utilized for the benefit of the Psychological Strategy Board. It is true, of course, that you are Chairman of the Board and have been directed by the President to give it administrative support, together with the other agencies concerned. The history of CIA's broad authority is believed helpful and certain documents pertaining to this general subject have been excerpted and are attached as Tab "A".

4. It is believed of interest to compare the budget and super grade structure of the staff of the Director of the Board with the staff of the National Security Council:

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NSC

PSB



The salaries of both the Director of the Board and the Executive Secretary have been established by the President. The Civil Service Commission has approved the existing GS-17 slot in the National Security Council, and the Commission is being requested to approve the three additional super grade slots for the National Security Council. The National Security Council was established under the National Security Act of 1947, and funds are specifically appropriated for the work thereof by the Congress. As of now there is no legislative authority for creation of the Board.


5. It would appear that at some point in the future appropriate action should be taken in connection with the establishment of the Board since at the present time there is no legislative authority for its establishment as an organizational entity of the Government. That factor will be a consideration in each of the three departments requesting Congress for an appropriation of funds for support of the Board.

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6. Despite the apparently well justified need of [redacted] for the requested positions, it is my belief that while technically there exists legal authority for you to comply with his request such compliance would be beyond the scope of the intent of Congress when it originally granted the exemption to CIA. The documents cited in Tab "A", plus numerous other undocumented discussions with the Bureau of the Budget, Civil Service Commission, General Accounting Office and Committees in Congress, all of which were relied upon by the Congress in granting unusual authorities to CIA, appear to compel a determination at this time that CIA cannot support [redacted] request for CIA super grades for the work of the Board. To accede to his request would in my opinion be contrary to the previously expressed intentions and policy of this Agency.

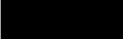
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7. I cannot recommend to you action which very likely would subject the Agency to charges of bad faith by those instrumentalities of the Government with whom we must maintain a relationship of mutual trust and confidence. This is particularly true in our relations with the Congress.

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Enclosures:

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1. Ltr fr , dtd 27  
Aug 51 re super grades  
for PSB.
2. Tab "A".

# MISSING PAGE

ORIGINAL DOCUMENT MISSING PAGE(S):

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